Contact: Jean Friedrich

INSTITUTIONAL AGREEMENTS, LEASES, AND EASEMENTS

<u>Action Requested</u>: Consider recommending to the Board approval of one easement for the benefit of the University of Iowa and two agreements and one lease for the benefit of Iowa State University, subject to approval of the final documents by the Attorney General's Office and the Board Office.

Executive Summary: Iowa Code §262.11 requires that certain agreements, leases, and easements be approved by the Board of Regents by roll call vote. The easement, two agreements, and lease documents are subject to approval by the Attorney General's Office and the Board Office. An indemnification clause is included in the easement and lease.

University of Iowa with the Board as Owner for the following easement:

BSW Development, LLC

The University of Iowa requests permission to grant a Shared Driveway Access Easement to BSW Development LLC to allow the grantee the ability to install a curb cut and shared driveway across an unimproved vacant parcel at the UI Research Park. See Attachment A for map of location.

The easement, which is being requested by the City of Coralville, will be across a small section of University land and will be used to facilitate a shared curb cut access drive from Ridgeway Drive onto both University land and an adjoining privately owned parcel. The Board, on behalf of the University, has entered into a long term lease (approved by the Board in October 2013) for the construction of a new UIHC Administrative Support Building on the adjoining parcel. Due to the large number of UIHC employees that will occupy the new building, Coralville City code requires the developer to have three curb cuts off Ridgeway Drive into the parking lot of the new building. Two of the curb cuts and access driveways will be on the developer's property. The City of Coralville has requested the third curb cut be a shared driveway with undeveloped UI Research Park land adjacent to the new development. The driveway will also serve a future building on the Research Park site.

The granting of the non-exclusive easement does not diminish the value of the University property, and will not impact the University's ability to construct a building on this property at a future time.

Iowa State University with the Board as Owner for the following agreements:

City of Ames

Iowa State University requests approval of the agreement for an ongoing Flood Warning System with the City of Ames, Iowa, Story County, Iowa and the Iowa Department of Transportation pursuant to the provisions of Chapter 28E, Code of Iowa.

This agreement was initially approved in March 1994. Following a recent review, there have been minor changes that have been identified in the agreement by the City of Ames.

The City of Ames, Iowa State University, Story County, and the Iowa Department of Transportation (IDOT) share in the operation and maintenance costs for the Flood Warning System on the percentage basis listed below.

City	40%
ISU	40%
County	10%
IDOT	10%

This agreement and the cooperative effort for a Flood Warning System will be in full force for ten years or until terminated by mutual agreement of all parties.

City of Ames

Iowa State University requests approval of the Contract and Agreement for Solid Waste Disposal Services between Iowa State University and the City of Ames.

Agreements with the City of Ames for Solid Waste Disposal Services have been in effect since 1975, the last agreement was approved in 1994 for a 20 year period. Following a recent review, the City of Ames has identified minor changes. The new agreement runs for 20 years from July 1, 2014 through June 30, 2034. The University would be charged a proportionate share of net costs of the system (based upon proportional weight of University garbage and solid waste) for each calendar year and will pay estimated monthly costs. Estimated and actual costs will be reconciled in the subsequent year.

This continues to be a favorable arrangement for the University. This 28E Agreement will be filed with the Iowa Secretary of State as required by Iowa Code.

Kingland Campus Properties, LLC

Iowa State University requests approval to lease approximately 25,597 rentable square feet of space on the second floor of a building (currently in the planning stages) at the southeast corner of Lincoln Way and Welch Avenue in Ames, Iowa from Kingland Campus Properties LLC. Kingland estimates the building will be completed in the summer of 2015. See Attachment B for map of location.

For the past several years, Iowa State University has been cooperating with students, the City of Ames, Ames Economic Development Commission, and Campustown to redevelop the area immediately south of the campus. Kingland Systems Corporation, an Iowa based software company, has been renting space in a former old movie theatre in the Campustown area for several years. Kingland employs a large number of Iowa State graduates and students, is expanding, and wants to develop a new office and retail building in the area.

Kingland has purchased the property at the southeast corner of Lincoln Way and Welch and plans to construct a new three story building, each floor containing approximately

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25,597 rentable square feet. The ground floor will be occupied by commercial retailers; the major tenant is a large national drug, grocery, and pharmacy chain. Iowa State would occupy the second level, and Kingland Systems would occupy the upper level.

The building design is currently underway and, subject to Board approval of the proposed lease, ISU would proceed to develop detailed finishing plans working with Kingland's architect and contractors. The landlord will credit the University with an allowance of up to \$25.00 per rentable square foot for these improvements. The tenant is responsible for costs above this amount. The University currently plans to relocate University Relations, the lowa State Daily student newspaper, and the ISU Foundation call center operations from core campus locations so that space can be reallocated to accommodate enrollment growth and additional classroom space.

The proposed lease would be for 15 years, at a base rental rate of \$16.75 per square foot with adjustments based upon CPI at the beginning of Lease Year 6 and Lease Year 11 (maximum of 3% increase for each period). Tenants are also responsible, under the terms of the proposed lease, for operating expenses (presently estimated at \$5.44 per rentable square foot). Under the University's budget model, the rent and related utility costs would be supported by the budgets of the occupying units, and the current space they occupy would be reassigned to other cost centers.

Based upon the objectives of the University to jump start Campustown redevelopment and provide needed space to accommodate enrollment growth while working with a committed long term private sector partner who hires a large number of ISU graduates and students, the University requests approval of the lease.

The University will be prepared to answer questions and provide additional information at the Property and Facilities meeting.

Additional information is available from the Board Office.

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